

## The Oasis

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*We are called with a severe air in the office of the commander for the customs. We are at the Transnistrian border point to Odessa . A custom house officer, a militia officer, an immigration officer and a border guard are hiding from the heat in a hut. We are told that we have no valid insurance in Transnistria. We can not go on with out trip. And even if we had, we couldn't pass because we have no health certificate to attest we aren't infected with HIV. We realize that discussing won't get us anywhere, the officials want some tips. The Ukrainian colleague is sent to the car. Meanwhile the head of the border point gets in the hut, with the Sovietic cap on the back and singing merrily "Money, money, money, money ..." He mixed words from Russian, English, Romanian and he asks us in good humor what "Zdob si Zdub" means. He doesn't wait us to decide who is to explain what part, and he tells us straight that we have to pay if we want to leave. 40 Euros. We can barely make 30 Euros, considering that existing Transnistria is for free and entering the country is 1 Euro, in Transnistrian rubles. They are hard to get, and then we try to complete the amount with the Transnistrian rubles we still have in our pockets. "You can keep these as a souvenir. We take only Euros and Dollars!" says the offended officer. He gets out of his pocket a handful of Euros and proposes to change our change for bills, unrevealing a golden tooth.*

\*We have found the officer who took the "bribe" in the Ukrainian customs, talking to his colleagues. His badge reads M 147, he has tree stars and he drives a white Audi, with the registration plate A 593 BB.

## The Big Theft



The Transnistrian region was spoiled by the Sovietic Union. According to a well done plan, the heavy industry, a gas network and an electric power station ere all positioned here. They even planned the erecting of a nuclear power plant. 40% of the Moldavian industry was concentrated on the left side of Nistru, in the separatist territory. Slowly, everything was taken over by few people. In order to sell for almost nothing the public property, the companies had to get on the verge of bankruptcy. The good old plan in the whole communist block. But in Transnistria, that strategy led to chaos and poverty. During the first years after the war the inflation went through the roof. The

situation changed nowadays, but the Russian subventions and the special auto financing operations assure a relative calm and a certain stable state of poverty. The Transnistrian ruble still hasn't got almost any value at all. Proofs are the several ads by the roads where different products have the prices quoted directly into dollars.

Therefore, ordinary people strive to find methods of making money, any money but rubles, most of the times through illegal activities; public clerks run after tips, and criminal networks that they could support for a price, and big local businessmen, politicians, or secret service officers make a living by getting their share from the whole system, or by organizing activities as illegal as they are lucrative. 23 of the 43 deputies of the Transnistrian Supreme Soviet come from the business environment, and most

of them are owners or managers of companies. We shall move on presenting a few of the most eloquent examples of profitable companies, who got into the possession of public officials and of Russian and Ukrainian businessmen, sometimes even into the possession of the Russian government.

### **Sheriff – a kolkhoz with a Private Beneficiary**

The Holding Sheriff illustrates the way in which the ruling family managed to create a parallel structure to the public one, a structure that controls local economy and producing benefits for private individuals using official support. As mentioned in its own web site, there are 5,000 people working in this company and in the company it owns.



The company was founded in 1993 and the persons owning the company are two MGB imported officers: Victor Gusan and Ilie Cazmali. Both of them coordinated the arrest of the Ilascu group, and they were president Smirnov's trusted people during the war. They came from the Sovietic oppression structures, with military grades, and they landed in the Transnistrian oppression structure as confidants of the president. It is hard to believe that they ever forgot about their military coat. The company Sheriff, omnipresent in Transnistria and the only company in the country that has ever had a long-time development, is the typical example of a company used for special operations. In this very case, the Smirnovs and their closest collaborators are benefiting. The youngest son of the family, Oleg, a recent elected deputy and high ranking official of the border commandment, is one of the assistants of Gusan. The company's documents and its owners were never made public and their web site mentions that the company was registered as a foreign company. We can find the only identification information coming from Tiraspol . The correspondent banks are in Russia and in the United States . We could find no such company registered in the anonymous databases from abroad.

### **Connections**



What we found were companies registered in the last years in Western Europe , Germany , by the official owners of the company. Gusan and Cazmali registered in Sankt Augustin, a small town near Bonn , Germany , an international trading and forwarding company. Grawe Import Export GmbH appointed the two in the managing board in 1993, only two months after Sheriff extended the activity field by founding its own construction company, as well as the gas stations and supermarkets network. The ownership of the company belonged to the spouses Viktor and Olga Grassmann, who left and joined the company successively. Mid 2000, few days after Sheriff begins the construction of the athletic complex that will cost 200 million dollars, Olga

Grassmann's husband joins the company again, and the company moves to Troisdorf, a near by town. The company gets called Grawe – Internationale Spedition, and Gusan and Cazmali leave it. Just a year later, both Grassmanns leaves the company in the favor of Viktor Wellm. It's worth mentioning that Wellm's name also appears in the records of other companies where Grassmann shows up too. Those companies were founded afterwards, which proves that the German citizens are nothing but successive covers for Gusan and Cazmali.

### **Activity Fields**

Almost nothing moves in Transnistria without Sheriff, both legal and illegal activities. During the 13 years of activity, the holding developed into the following fields: export-import of large consumer goods, and trading them in a large supermarket network (monopoly); forwarding network, sport and connex activities (the most modern athletic complex in Moldova,), oil and lubricants trading, and a gas stations network; manufacturing large consumer goods; construction company; media (TV, radio station, newspaper and cable TV operator); publishing house; advertising company and market research.

## **Expanding**

If they missed taking over any activity field in the beginning, that was solved later on. During all this time, Sheriff bought one of the 8 existing banks—Agroprombank – with more than 60 branches in the whole republic. Then they focused on buying some alcoholic liquor and food manufacturing units: the scorch products manufacturing plant in Bender, the bred plant in Tiraspol , the cereal plants unit in Tiraspol , the Brandy and Wine Unit in Rabnita. Among the last industrial objectives bought by Sheriff through its bank, is the textile production unit Tirotext from Tiraspol .



## **Rabnita – MMZ**

The metallurgic production unit in Rabnita is by far one of the most important objectives in Transnistria. 4,000 people are employed in this factory and the whole Northern part of the separatist republic depends on this factory. At maximum capacity, the factory can produce up to one million tons of steel and one million tons of laminated products a year.

Several groups benefited of this production unit. First it was the Russian group Itera, which at the end of '98 bought 75% of the shares. Once the group fell into the disgrace of president Putin, Itera had to sell in 2004. The shares were bought by the companies from Liechtenstein , which at this moment control 90% of MMZ. The two companies are called Rumney Trust Reg and EIM Energy Investment & Management Corporation. Both companies used to belong to the Itera Group. The buyers hurried up to certify with documents the new property, while the only ones who admitted being part of the Itera group, were Youssouf Hares and Alisher Usmanov, a Syrian businessman also active in the Ukraine, and of Uzbek origin. Usmanov is on the list of the 100 richest Russians with an estimated fortune of 100 million dollars and he is one of the managers of Gazprom. Hares declared to us that the factory cost 100 million dollars and that the exclusive manager of MMZ is Alisher Usmanov.

But not all of the people investing in MMZ wanted to be known, some of them wanted to remain anonymous.

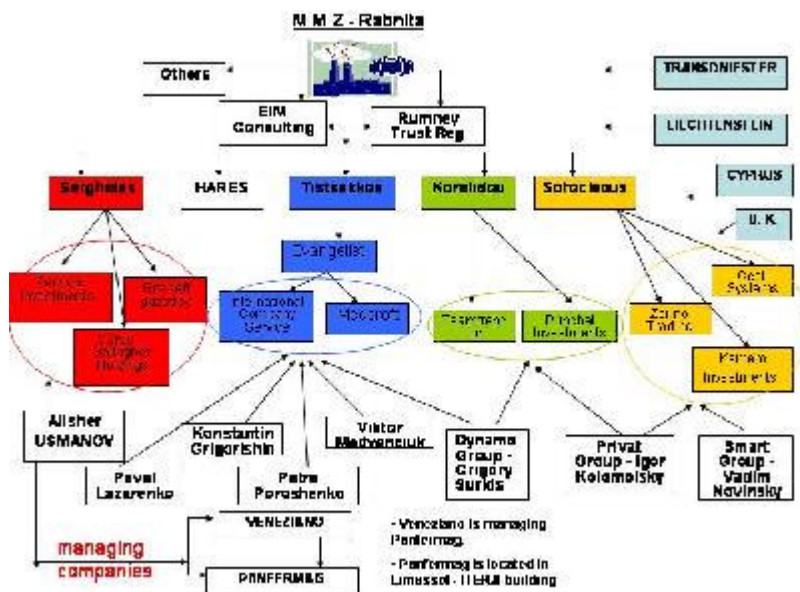
## **Besides the Cypriots**



To find out the names of the ones with financial interest in MMZ but with no desire to be known, we followed the traces of the companies in Liechtenstein, where the shares of the company were transferred by Itera. In accordance with the documents of the company EIM Consulting, the company's managers changed the very moment Itera announced the sale to the Hares group in 2004. At the moment, besides Youssef Hares, there are four more Cypriots: Andreas Sofocleous (or Sofocleus), Anna Korelidou, Demetrios (or Demetris) Serghides and Tsitsekkos Michalis. The company can be active only if all five sign a document. It's obvious that the Cypriots are just covers, each representing a business man who wanted to hide his identity.

## All Cards Up

The quicker to be found proved to be the cover of Alisher Usmanov. We have searched among all companies managed by Serghides and we discovered that the Russian magnate's interests in several companies in the UK are represented by **Serghides**. Even when Usmanov tried to buy an important shares pack of Corus, the British metallurgic giant, Serghides still represented Usmanov in Ferrous Investments in Great Britain, which is a company belonging to the Russian group Interfin. The latter is managed by Alisher Usmanov and it has been a part of the Gazprom structure since the Usmanov became the manager of Gazprominvestholding.



Then **Tsitsekkos**, partner in several companies with a French business man, strongly connected in Kiev: Rodolphe Lucien Evangelisti. Through all these companies (Medcroft Management Ltd and International Company Service Ltd) we have managed to get to several key characters: Grigory Surkis and Viktor Medvenchuk, the Russian business man Konstantin Grigorishin and Peter Poroshenko, former close person to the Ukrainian president Yuschenko and defense matters councilor and Pavlo Lazarenko, former Prime Minister of the Ukraine.

**Sofocleous** operates in several companies in the UK and Cyprus . All companies are used by the holding of the Russian oligarch Vadim Novinsky, called by the economists, Smart Group. All business enterprises of the holding are mainly concentrated in the Ukraine . The companies which led us to Novinsky are called Zorino Trading, Kemero Investments Limited and Cecil Systems Limited. At the same time, Sofocleous is representing business interests that Smart Group developed together with Privat Group belonging to Igor Kolomoisky.

At last, **Korelidou** who connects Punchel Investments and Teamtrend Limited through the companies she manages to two important groups from the Ukraine : the Dynamo Group controlled by Grigori Surkis and Privat Group controlled by Igor Kolomoisky.

The MMZ management is done by Alisher Usmanov through two companies from Cyprus , having headquarters in the Itera premises in Limassol – Veneziano Limited and Panfermag Holding. All these Cypriots mentioned above are in the management teams of these companies. Locally, the factory is managed by two deputies of the Transnistrian Supreme Soviet Anatoly Belitchenko and Andrey Yudin.

Both are Russian and Ukrainian oligarch, with fortunes estimated at billions of dollars, built on crime and former Sovietic secret services. All relations we could find are based on the documents of the companies' network we have puzzled out.

## **Cuciurgan**

The only electrical power station in Moldova was built in Cuciurgan, the Eastern part of Transnistria. The station can serve both the whole territory of Moldova , as well as the Odessa region. Moreover, when at maximum capacity, the station can even export energy. Cuciurgan employs 3,500 people, and after updating, it is to produce six billion kWt / h yearly. At the end of 2003, the separatists sold the electric power station to a Belgian-Russian joint company, Saint Guidon Invest NV, totally unknown until then. The selling price was of 29 million dollars, cash, as mentioned in the documents. Saint Guidon also undertook the obligation to invest more than 150 million dollars and to maintain the structure of the Transnistrian town Dnestrovsk for five years. The little company competed against RAO EES (the public Russian electric power producer) and Gazprom. All our investigations show that these companies participated fictively in the bid, to save appearances.



## **Sport and Energy**

Saint Guidon has a headquarters in Moscow and another one in Zottegem , Belgium . The company was founded in 1976, its main activity being sport clubs. The press mentions as manager Daniel Goldenberg, born in Baku and Israeli citizen, as being the one who negotiated the sales and who signed the contract. The company's documents also mention another 4 persons: his wife Julia Goldenberg, Alexei Fedotov, Alexei Serebriakov and Oleg Zakataev.

Serebriakov and Zakataev are at the same time the managers of RAO Nordic Oy from Finland , a public Russian company owned by RAO EES. Basically, in the bidding there were a public company and a company belonging to two of its managers. The story continues. Saint Guidon didn't pay the amount it promised to pay and didn't make any investments. Moreover, it cashed all money for the delivered electric power, but didn't pay the bills for all utilities. At the end of 2004, Saint Guidon tried

to increase the price for Moldova , after simply canceling all valid contracts and then it ceased the deliveries for more than a month.

In the spring of 2005, two branches of RAO EES buy all shares owned by Saint Guidon for 100 million dollars. One of the branches is RAO Nordic Oy. Basically, 100 million dollars get to be tumbled between Goldenberg and the two managers of the public company RAO Nordic. The only losers in this transaction are the citizens of the separatist republic and the Russian citizens. The president of RAO EES is Anatoli Chubais, also owning a pack of shares. Until he was arrested last year, Valeriu Pasat – former Defense Minister and then manager of the Moldavian Secret Service - was his councilor. There is information showing that Cuciurgan delivered electric power to Romania as well, to Alro Slatina, also controlled by the Russians.

### **Brandy Flows through Luxembourg**



The most famous Transnistrian products, besides weapons of course, are vodka and brandy made by Kvint. After investigating this public company, freshly offered for privatization, we found out that the profit which should go to the public budget is being cashed by private companies founded by the manager in the Western Europe during the last ten years. Kvint manufactures every year more than 10 million tons of alcoholic liquors. From what we researched, the sales profit goes personally to Baev and his partners and not to the public company Kvint.

Oleg Baev, the manager of the company, and a deputy in the Supreme Soviet, founded in 1996 the company Adisol, in Luxembourg , through which he takes over the shares of Adrina, founded in 1992, in Luxemburg as well. Adisol opens an office in Moscow , and the new Adrina opens an office in the USA in 2003. Meanwhile he founds in Hamburg , Germany , the company Magic Spirits, initially managed by Egon Garbers, and then taken over by Claudia and Frank Bade, relatives of the latter. The three companies are now trading Kvint products all over the Europe , the former CSI countries, the USA and Canada .

Let's go back to Adrina, the mother company from Luxemburg. Beginning with 1995, Oleg Baev is even mentioned in the documents as having right to signature until 1997, when he goes behind the scenes. The other partners in the management team are: Gagik Adibekian, Vsevolod Yampolskiy, Valeri Zadorine, and Henri Aronson. When Baev retired, Yampolskiy and Zadorine, both from Moscow , remained to manage the company. Moreover, there comes up another company to dear currently the situation - Fimex Investments Ltd. We could find no documents related to the owners of this company. We have found out that this company belonged until a year ago to an alliance of three anonymous companies from the UK , which used to own the majority share pack of a bank from Moldova . It's Businessbank, later on sold by Fimex to the public Russian bank Vnestorgbank. The transaction was canceled shortly. The Russian bank is managed by Andrey Kostin – “Putin's cashier”.

### **The Banking System**

Nowadays, Transnistria has its own currency, the Transnistrian ruble, printed in Tiraspol . The separatist have also opened a mint of their own, after imports of coins from Poland were retained on the Ukrainian territory.



Banking system means a national bank and eight private banks. They are all illegally functioning, since the Moldavian National Bank didn't give them any licenses after 2001. But there were solutions to this problem. Until 2001, they would get money from Transnistria to Chisinau by bags, especially to the Russian bank Eurotrustbank. After these operations ceased, the banks in the separatist republic re-oriented themselves towards the large banks in Austria , Germany , the USA : ING, Reiffeisen, Commerzbank, Bank of New York. The Moldavian authorities made pressures on these banks and the transfers stopped being validated. ING and Reiffeisen from Austria finally had to cease any direct collaboration with Transnistria, but they didn't freeze the disputed accounts, and they returned them to the Transnistrian banks or companies.

[MMZ plant in Rabnita](#)

Last hope comes from Russia as usual. The most powerful banks in Transnistria belong either to Russian companies like Gazprombank, or to Sheriff, as in the case of Agroprombank. The Russian banks have licenses to function from the National Bank of Russia and they are useful in the international transfers. Moreover, for all large transfers, they use the bank ROSBANK. In accordance with the documents received from the Centre for Investigative Journalism in Chisinau, only in three consecutive days of November 2004, MMZ transferred 2 and a half million dollars through Rosbank, with the headquarters in Geneva. It is just an example, but all who make important international transfers, use Rosbank. Why? Because, even if it is registered in Geneva , the bank belongs to the Russian oligarchs Vladimir Potanin, Mihail Prokhorov and Boris Jordan. When looking at the list of this bank's managers, one basically looks at the list of the richest Russian business men. They are also the most controversial. Only Potanin together with Prokhorov have a fortune estimated at more than 10 billion dollars.

There is one more important aspect of the banking system. What is of value in Transnistria, is not sold or bought on the separatist territory. For this purpose, there were founded the anonymous companies in fiscal paradises, companies that can move documents and money in the name of other Transnistrian companies, without even physically touching the separatist republic.

## **To West**

There are many Western companies that have no problem whatsoever in working on the Transnistrian territory. For example, even in Romania there are more than 40 companies developing business activities with the separatists. The former prisoner in Tiraspol Ilie Ilascu, now a Romanian senator for PRM, read in the Parliament a list of the names of these companies, among which the most significant seemed to be Dacia Textil, a company from Bucharest . On the other side, the most significant was the MMZ and the textile producing unit of Tirotext.

## **Zemtech – the German Relation**

In Germany we found a company founded by MMZ itself together with German partners in 1994. The company is Zemtech GmbH from Munich , an association of MMZ, the cement factory from Rabnita and the German Techcom. The documents of the separatist companies mention the Czech Republic instead of Transnistria as address. The manager of the company is Sagadat Schumacher, born Saparov.

She is also the manager of Techcom, who is certified as belonging to the Schumachers. On the other hand, Techcom owns D.A.R. Metall AG, a joint company which has as shareholders two Russian names: Vladimir Shashkin and Alexander Sharuda, both from Moscow . Sharuda is the general manager of the aluminum products manufacturing unit Vtormet from Moscow . All money transfers from MMZ to these companies were made through Rosbank. They were million dollars transfers.

### **Panzarasa the Adviser**



[Giovanni Panzarasa](#)

All the above mentioned business activities develop outside the separatist republic. We discovered in Tiraspol a business man who's been living in the republic since the time of the Sovietic republic, since 1988. Giovanni Panzarasa, manager and shareholder with the local company Tirpa, is 67 and for 18 years he's been a permanent resident of Tiraspol . He goes to Italy from time to time to visit his family. His wife never visited him and his daughter came by plane just once to accompany him to Italy for medical care. In 1994 he was close to dying after having been attacked and tortured in Tiraspol . He says it was a robbery case. Part of his head was rebuilt, and one can still see two large holes in his forehead. From that moment he never left the house without bodyguards. "I prefer going to work, and on Saturdays and Sundays I stay at home. It is too much of a hustle". He owns only 5% of Tirpa, which is a mixed company. The Italian holding Ottogalli owns almost 30% and the rest

is Transnistrian capital. His company manufactures molds for synthetic shoe wear, and devices for casting molds, in the production unit from Litmash. The last year income was of one million dollars, and his part is of 5,000 a month. "If it wasn't for my pension in Italy , I'd be in a lot of problems. Since the blockade was imposed (note – March 2006) I have lost 300 thousand dollars". Tirpa has been working in all these years for major companies like Adidas, Nike, Reebok, Goodyear or Biltrade. Life in Tiraspol is a nightmare, danger everywhere and the financial benefits are not as expected. Then why is he still living there? "Work is my passion. Not a hobby, but my passion" answers Panzarasa. On the official web site of president Smirnov, there is a section dedicated to Panzarasa, the only foreigner praised by the president. "The gesture is helping me morally indeed, but just that." From all information we have on Panzarasa, we figured that he is one of the president's financial councilor, with regard to external bidding of the personal funds and other business activities. Panzarasa denies in an undertone "It's not entirely true. When we meet we can talk about anything, but I am not anyone's councilor". Still, he admits having a special relationship with Smirnov and other ministers "I can call the president anytime, and if I can't get in touch with him right then, he calls me back in an hour." The project "Transdnier - Revealing Europe's black hole" is an investigation of CRJI, financed by SCOOP in Danemark and SAS in Switzerland. The participants in this project are the following journalists: Vitalie Calugareanu (Chisinau), Vlad Lavrov (Kiev), Igor Boldyrev (Odessa), Alexander Bratersky (Moscova) and foto Robert Ghement.

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